

## LEND-LEASE SETTLEMENT

*Exchange of notes at Washington April 17, 1945*  
*Entered into force April 17, 1945*

60 Stat. 1576; Treaties and Other  
International Acts Series 1511

*The South African Chargé d'Affaires ad interim to the Secretary of State*

LEGATION OF THE  
UNION OF SOUTH AFRICA  
WASHINGTON, D.C.  
*17th April, 1945*

SIR,

With reference to the memorandum dated May 8th from the State Department and recent discussions between representatives of the Union of South Africa and those of the State Department and the Foreign Economic Administration concerning the proposal that all forms of mutual aid provided by either the Government of the Union of South Africa or of the United States to the other should be financed by cash payments as from February 15, 1944, I am directed to inform you that the Union Government agrees to the application of such a cash basis in its relations with the United States Government.

(2) The Union Government is accordingly prepared to accept liability for all combat material, aircraft and other goods shipped on and after 15th February, 1944, and supplied direct by the Government of the United States, or by means of retransfer from other Governments, on orders placed by the Union Government. This would include equipment for coastal defence undertaken by the Union Government in agreement with the Government of the United Kingdom, but would not include the provisions of aircraft and equipment for the Flying Boat Squadron No. 262 at present based on Durban, which is, by agreement with the United Kingdom, a liability of the latter government, in so far as the procurement of aircraft, spares and related equipment is concerned.

(3) The basis of the foregoing proposal is that liability for goods supplied should follow the authority responsible for the issue of the order of procurement. The Union Government would, therefore, be liable solely for goods received in accordance with the provisions of the preceding paragraph and it

would not be liable for any goods which the United Kingdom Government may supply for the temporary or intermittent use of the Union Forces under United Kingdom operational control outside the boundaries of the Union of South Africa in compliance with the terms of the financial arrangements in existence between the two governments.

(4) If the Government of the United States of America concurs in the foregoing, I would suggest that the present note and your reply to that effect be regarded as placing on record the understanding of our two Governments in this matter.

Accept, Sir, the renewed assurances of my highest consideration.

J. R. JORDAAN  
*Chargé d'Affaires ad interim*

The Honourable E. R. STETTINIUS,  
*Secretary of State of the United States,*  
*Department of State,*  
*Washington, D.C.*

#### ANNEX

It is the understanding of the Government of the Union of South Africa that the following interpretations apply to the provisions of this note:

(1) The word "shipped" in the first sentence of paragraph (2) denotes the actual placing of goods on board ship; or in the case of other goods, such as aircraft and stores carried on them, the time at which the Government of the United States transfers such goods to the Union Government;

(2) The words "on orders placed by the Union Government", in the first sentence of paragraph (2) cover the case of any goods retransferred by any Government and accepted by the Union Government.

(3) Certain squadrons were formed and equipped in the Union of South Africa with Lend-Lease aircraft and, for a considerable period, carried out operations from Union bases. Subsequently these squadrons, complete with aircraft and equipment, proceeded for operational work in the Mediterranean. Such aircraft and equipment furnished prior to 15th February, 1944, which have subsequently been transferred to the Mediterranean Theatre and later returned to the Union will be regarded as Lend-Lease material supplied to the Union Government before 15th February, 1944.

(4) For so far as the Joint Air Training Scheme in the Union of South Africa is concerned, it is the understanding of the Union Government that they will not be required to pay for aircraft and equipment which the United Kingdom is obligated to supply for the scheme and which are used solely for that purpose.

(5) Goods are frequently landed in the Union by mistake e.g. when they arrive without shipping documents and ships have to be cleared with-

out delay. It is the understanding of the Union Government that such goods will not be regarded as "accepted" by them, although they may be stored by the responsible authorities for security purposes pending a directive from the United States Government as to their disposition.

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*The Secretary of State to the South African Chargé d'Affaires ad interim*

DEPARTMENT OF STATE

WASHINGTON

*April 17, 1945*

SIR:

I acknowledge receipt of your note of today's date concerning the financing by cash payments as from February 15, 1944 of all forms of mutual aid provided by either the Government of the Union of South Africa or of the United States to the other.

I am glad to advise you that the Government of the United States shares the understanding of the Government of the Union of South Africa as expressed in that note and in the Annex thereto. I agree that your note and this reply thereto should be regarded as placing on record the understanding of our two Governments in this matter.

Accept, Sir, the renewed assurances of my high consideration.

E. R. STETTINIUS, JR.

J. R. JORDAAN, Esquire,

*Chargé d'Affaires ad interim of  
The Union of South Africa.*